TOWARDS ECONOMIC CO-OPERATION

A PLEA FOR UNITY AMONG THE FREE DEMOCRACIES

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TOWARDS ECONOMIC CO-OPERATION.

Unity in the realm of economic activity, national or international, in these days is very much like the Absolute of a metaphysical system which can be thought about and described only in negative terms. Unity is not here, not there; it has only an ideal existence. There is, of course, universal economic activity in preparation for war. Because of the alleged need to make defence preparations, not only is practically the whole of the economic life of some nations conscripted and pressed into service, but these nations themselves have become introvert and self-sufficient where any but immediate war necessities and supplies are concerned. To make things worse, secret financial policies are adopted, and currency and exchange controls, barter arrangements and clearing agreements, are used with much the same end in view. A large part of the economic anarchy of our time is due to what is called political anarchy.

But while our political anarchy is a contributory cause of our economic anarchy, it is only one factor that aggravates a situation that is chronic. We have just passed through a major world economic crisis, and some experts are now—at the beginning of 1938—warning us of the imminence of another, but less severe, world depression. It is perhaps singular that we talk of a world economic crisis when things go wrong; we are now being forced by adverse circumstances to see the world as a whole, if only as an abstract economic whole. Booms and slumps in trade are a regular and inevitable feature of our present economic arrangements, and no country can entirely escape the effects of these ups and downs.

The World Economic and Monetary Conference that was held in London in 1933 was at least an attempt to get our great financial and economic problems into some kind of focus, but strong and determined national and narrow interests occupied its platform to the exclusion of world interests and concerns. The World

Economic Conference was ill-starred and was foredoomed to failure. The various nations represented there could not see the world wood behind their individual national tree.

ABSENCE OF CO-OPERATION.

International economic questions are taken into account first of all because I feel that they come first in importance. We may feel inclined to take it for granted as an abstract truism that the world is an economic unit, but abstract truisms butter no parsnips. We may believe that world economic unity must necessarily demand a measure of co-operation among the various nations, but the nations themselves believe otherwise and behave otherwise. How much of the world's theoretical unity is to be found expressed in genuine collective co-operation? We can refer only to a few things like the Postal Union, the control of international waterways, some international telegraph and radio agreements, and the Opium Convention. The Bank for International Settlements is an instance of indirect (private or non-State) co-operation by the central banks of the world for limited and specific purposes.

Parallel action taken by several Governments for certain economic purposes differs greatly from joint action or co-operation. The adoption of the gold standard by various countries desiring stability for their currencies in relation to each other is not equivalent to the adoption of a universal currency controlled by one central agency, any more than is a Naval Agreement limiting national fleets equivalent to an agreement abolishing them in favour of an international navy. The International Labour Office may be taken as an example of collective co-operation, in so far as it is an instrument or agency representing the Governments associated with it, but its resolutions, say, for the reduction of working hours all over the world, would amount to a very real and effective form of co-ordinating co-operation if the various Governments concerned enacted identical laws in relation to that matter.

Of course, we have international arrangements among private groups whose form, though not their purpose, may meet with some approval. The international steel pact and oil trusts may serve as illustrations. It has been aptly pointed out that monopolists pooling their output and levying a tribute on the consumers,

irrespective of national boundaries, are acting within their rights, but that does not necessarily make them benefactors of mankind. A universal monopoly is a much more efficient monopoly than a national one; and we cannot consider that which is unsocial within a national boundary as helpful and altruistic merely because it is international.

INTERDEPENDENCE OF NATIONS.

But no nation lives or can live to itself alone. In the words of the *World Economic Survey* of the League of Nations for 1936-37, "no national economy is independent of the political and economic developments in other countries." World trade is evidence, if evidence were needed, of the interdependence of nations. The *World Economic Survey* in question has the following passage concerning this interdependence.

"The distribution of raw materials and population in the modern world is such that not even the most favourably situated community can in fact be independent of imported raw materials. In somewhat less degree, practically all the densely populated industrial nations are dependent also on imported foodstuffs, while many articles of common use, such as coffee and citrus fruits, must be imported to the great majority of the temperate countries. The great growth of international trade in the 19th century made possible a growth of population in industrial Europe and in the agricultural exporting areas, and at the same time widened the range of consumption and raised the standard of living of a large part of this increased population. Without the international specialisation and co-operative trade upon which these developments were postulated, the present distribution of population can scarcely be maintained without an impairment of living standards.

"The interdependence of the modern world is further increased by the cumulative rate of increase in the consumption of essential raw materials. Not only have new materials, such as rubber and vegetable oils, now become essential, but the increasing consumption of minerals has rendered necessary the exploitation of new supplies. There is a constant tendency for the centre of mineral production to move away from the old-established industrial areas . . . . . The partial breakdown of international

trade, followed by difficulties of payment experienced by many countries, has created a 'raw-material' problem . . . .

"Nevertheless," continues the same authority, "the drive towards increasing self-sufficiency and lessened dependence upon external sources of foodstuffs and essential raw materials has continued. The desire of national economies to escape from international interdependence is enhanced, not only by trading and payment difficulties in the recovery period after severe depression, but also by the widespread fear of war or, in some cases, of collective action or blockade. There are few countries where the strategic element in economic policy is wholly absent at the present time; but, in some, the measures taken to ensure a greater degree of self-sufficiency are more important and more obviously connected with defence preparation than in others."

AUTARCHY AND TRADE RESTRICTION.

We have often heard of the tremendous efforts that have been made in Germany to provide oil from coal, and of the success in the making of substitute rubber and wool in recent years. In November, 1936, it was ordered that textile fabrics destined for public service in Germany must contain up to 50% of artificial fibre. Germany has also restricted her net imports of wheat from 2,612,000 tons in 1927 to 74,104 tons in 1936, and there have been reductions in the imports of rye and barley. "This restriction of cereal imports," says the League of Nations *Survey*, "has been connected with a change from animal to cereal farming within Germany, and somewhat greater quantities of meat and animal fats were imported during 1936." Italy is closely following Germany's example in the production of substitute materials in order to cut down imports. Italy, by the way, converts milk into wearing materials.

There are one or two disquieting facts which must be noted in passing. The recent revival in international trade, which was "rapidly accelerating" in the early months of 1937, has left the international barriers to trade, though modified in some degree, almost intact. There are "few signs of increasing trade in foodstuffs" and there is no great increase in the interchange of manufactures among the countries of Western Europe. There is, on the other hand, a considerable expansion of the trade in raw materials.

(If one might be permitted a reflection here, it would be upon Britain's prompt decision to abolish the tariff on iron and steel imports in connection with the rearmament programme, and the continuation of the tariffs on food in spite of the rising cost of foodstuffs at the present time).

I have mentioned Germany and Italy in connection with this matter of trade restriction. We must not forget the Hawley-Smoot tariff of 1930 in the United States, the abandonment of free trade by Britain in 1932, the subsequent adoption of protectionist measures by Belgium and the Netherlands, and the encouragement of inter-imperial trade, not only in the British Commonwealth and colonial empire as a result of the Ottawa Agreements in 1932, but also in the French, Belgian and Japanese empires. The trade policies of the great creditor nations are especially important in this connection. (Creditor nations can be paid only by means of goods, and should not, therefore, put up high tariffs). The Hawley-Smoot tariff, imposed at the moment when European countries which owed large debts to the United States were entering upon a period of economic difficulty, raised the duties, in many cases heavily, on some 900 items in the United States tariff. Though the duties imposed by the United Kingdom were on the whole moderate, the change from free trade to protection in that important world market was necessarily serious for other industrial countries. Coming at a time when sterling was depreciating and when credit was sharply restricted, it caused great difficulties in the trade of many of the European industrial countries.

One may summarise the position by saying that in the last few years new kinds of control have been devised not with the object of directing the flow of trade, but of forcing it into a bottle-neck that chokes it up. By import duties, quotas, licences, clearing schemes and compensation arrangements, the volume of inward trade is reduced, indirectly, by increasing the cost of goods, or, directly, by restricting their quantity. Export trade, on the other hand, is greatly encouraged by premiums, subsidies, subventions, and dumping. Every country seems to be bent on making the satisfaction of the wants of its own nationals more expensive, while trying hard at the same time to supply foreign consumers with artificially cheapened products. In extreme instances, as in the case of Germany's Four Year Plan to make that country able to supply herself completely with all necessary raw

materials, without need of imports from abroad, the result will be a further restriction of international trade, and the virtual subjection of labour in Germany to a regimentation reminiscent of war-time conditions. A kind of self-imposed blockade must mean a very low standard of living, and a preference for guns over butter compels a people that agrees to such a policy to live, as Mr. G. D. H. Cole says, "after the manner of a beleaguered city." The very costly mass-production of synthetic and substitute materials adds to an already heavy burden that can only be explained by regarding it as a war-time measure.

A WAY OUT?

Is there a way out of this most unsatisfactory situation? Given the will on the part of the nations of the world, there might be a solution. At the moment there seems to be little or no prospect of a general desire to find any solution. The only hopeful indications just now are the Tripartite Declaration of the Governments of the United States, France and United Kingdom (which set forth the essential features of a recent report of the Economic Committee of the League of Nations), and the projected Anglo-American trade agreement. The Tripartite Declaration (or Agreement) was published in September, 1936, and it affirmed, in the first place, *the common desire of the Governments concerned to safeguard peace, to foster those conditions which would best contribute to the restoration of order in international relations, to pursue a policy which would tend to promote prosperity in the world, and to improve the standard of living.* At the same time, the three Governments stated that one constant object of their policy was to maintain the greatest possible equilibrium in the system of international exchanges, and to act in consultation for this purpose; they expressed their intention of using their available resources so as to avoid as far as possible any disturbance of the basis of international exchanges resulting from any proposed readjustment. The Governments concerned further declared that they attached the greatest importance to action being taken without delay to relax progressively the present system of quotas and exchange control, with a view to their abolition.

To this declaration the Governments of Belgium, the Netherlands and Switzerland, signified their official agreement.

The Tripartite Agreement enabled France to devalue her currency, and several States, including Italy, subsequently devalued their currencies in conformity with the policy laid down. The Assembly of the League of Nations was in session at the time, and noted with satisfaction the step which had been taken, and invited all States to co-operate fully with the general ends that the Tripartite Agreement has in view. Despite the events in France which compelled a second devaluation of the franc, the measure of international co-operation established by the Agreement has so far been maintained. The Tripartite Agreement, however, has not been acceded to by Germany and Italy, notwithstanding the devaluation of the lira. The policies of both Governments have, in fact, remained unchanged in their essential features. If Germany wished to agree to and decided to act in accordance with the terms of that Agreement, she would in all probability be obliged to modify or reverse four or five, if not more, of her major economic policies, and her Four Year Plan in large measure would have to be abandoned. In a lesser degree Italy would also have to break with a policy of "complete autonomy," as regards "national needs."

Many difficulties will have to be overcome if the policy outlined in the Tripartite Agreement is to meet with success. Quotas and tariffs are a means of defence against the effect of exchange control in another country, and are a defence against dumping and export bounties. Quotas are also employed as measures of defence against competition from countries whose cost of production is extremely low. Further, the retention of quotas is due in part to the opposition of producers who have a vested interest in their continuance.

The system of foreign exchange control, sometimes accompanied by quotas, imposes a serious restriction on external trade. The policy, deliberately planned in some countries, of self-sufficiency in economic matters, as already pointed out, often leads to the setting up of new industries without regard to economic value or question of cost, and is justified by considerations of national defence. Armaments may constitute a "heavy mortgage on the future, without any countervailing increase in economic resources," but while ambitions, apprehensions and fears prevail, such policies will not be easily abandoned.

If these many restrictions on international trade were reduced or removed, there might be perhaps a durable and stable improvement in economic activity, and what is now called "prosperity" be carried a stage further. Can we expect the various countries in present circumstances to agree to the removal of the many impediments and strangleholds, and adopt the measures of reform put forward by the Economic Committee of the League of Nations? That Economic Committee is of the opinion that no such international action is likely to succeed except in "a favourable political atmosphere." An appeal to obvious self-interest even is not likely to win general support among the nations of the world at present.

PROPOSALS OF THE LEAGUE'S ECONOMIC COMMITTEE.

The Economic Committee of the League has made one suggestion that seems to hold out some promise along certain lines. In an extremely useful pamphlet called "Remarks on the Present Phase of International Economic Relations" (September, 1937), it puts forward some interesting and novel proposals. As if almost despairing of the help and initiative of governments, it seems to appeal directly to world public opinion. After defining the objectives, which "include on the one hand, the preservation of peace and, on the other, the development of prosperity throughout the world and the improvement in the standard of living of the peoples," the pamphlet goes on to suggest that each of these aims tends to promote the others, and that "any successful effort by one country will result in benefit to all."

In the second part of its pamphlet the Economic Committee prints a memorandum submitted to it by Mr. F. L. McDougall on "Economic Appeasement." A few short extracts from the Memorandum will be of interest. It says:—

> "The economic difficulties of certain nations are one of the causes of the political tension that now distracts the world, and there is a growing belief that economic appeasement may prove the surest road to world peace.
>
> "If economic measures are to lessen political tension, then positive action must be taken along lines which will convince the nations that Governments have both the will

and the power to bring about great improvements in the welfare of their own people and those of other nations which are prepared to co-operate with them.

The currency alignment declarations of September 1936 made by the Governments of France, the United States of America and the United Kingdom have gone a considerable way to remove one of the most serious barriers to the revival of world trade, and in these declarations the Governments concerned all referred to the need for improvement in the standard of living."

DYNAMIC POLICIES NEEDED.

"What is envisaged in this memorandum is something more than an international agreement to promote the revival of trade. A direct attack upon low standards of living conducted both on the national and international plane is advocated as providing Governments with economic and social policies that will be dynamic because they will lead to increases both of consumption and production and thus provide a new approach to the problem of reducing barriers to trade..

Such social policies could bring about an expanding need for the products of international trade in which all countries may find full outlets for their energies and full employment for their peoples.

On the political side, such policies should rally to the countries that pursue them the majority of States and should present an attractive alternative for peoples and Governments to autarchy and economies based on preparations for war."

PROPOSALS FOR INCREASING PURCHASING POWER.

"Increased purchasing power for the masses can be achieved directly in various ways, of which the following demand consideration:

(*a*) The method of international agreement for the improvement of the remuneration and conditions of labour—i.e., the International Labour Office method.

(*b*) Increased social services which, in effect, mean using the revenue-collecting powers of the State to secure a modification of income distribution.

(*c*) Cheapening the retail price of food and other requirements.

While schemes for the improvement of the lot of the working-classes may be merely remedial or palliative in character, they may also be converted into dynamic instruments for the maintenance of economic activity.

In the past, Governments and the employing-classes have regarded such measures as necessary burdens upon the economic machine. Hence they have inevitably desired to limit their scope and restrict their application.

Schemes for security can, however, be turned into assets rather than liabilities. They can become the springs from which will flow a widening stream of trade activities. Increased purchasing power for goods which the economic machine can produce with its existing resources will, in turn, create fuller opportunities for increasing earning power and for further differentiation and improvements in the system of production.

It is equally necessary for national action to be correlated with a progressive international economic policy. In most countries the stimulation of demand will lead to increased imports, which will necessitate increased exports. If trade barriers and exchange controls remain inflexible, the result might be largely to frustrate national efforts to secure increased economic activity."

PEASANT EUROPE.

"The situation of a large part of the peasant population of Eastern and South-Eastern Europe is a cause of grave preoccupation to Governments. An examination of available agricultural statistics suggests that the quantity of commodities produced per man engaged in agriculture in Eastern Europe would be found to be only a quarter of the figure for Denmark and only about an eighth of that for New Zealand. Such a scale of productivity represents a level of poverty hardly understandable in Western Europe or in the United

States of America. This being the case, it is easy to understand the difficulties of Governments and their desire for policies which will mitigate the present position. In Eastern European countries the density of the agricultural population is high. The peasants can purchase hardly any manufactured goods, whether domestically produced or imported, since they extract little more than a bare subsistence from the soil. If agricultural and distributive methods could be improved, purchasing power would be created which would stimulate industry and lead to the redistribution of population between industry and agriculture at higher standards of living."

RESOLUTE EFFORT NEEDED.

"The foregoing proposals envisage resolute effort to revitalise the world's trade: nations must come to realise that really enlightened self-interest postulates a willingness to share their economic advantages with others.

If measures along these lines were widely adopted, it would enable the nations co-operating to make a great contribution towards human progress and culture. This should attract other nations towards co-operation and should go far to prevent social discontents."

THE FAR EAST AND AFRICA.

There is one other matter that should be mentioned in this connection, and there is a brief reference to it in the above-mentioned Memorandum. It will be at once evident that if higher standards of living and improved nutrition policies are good for Western countries, they will also be good for the peoples of Eastern countries and the Natives of Africa. In the poorer countries of the Western World, the proportion of malnourished people probably rises to 70 per cent.; in the Far East, a recent report of the Chinese Government to the League said that, "generally speaking, most Chinese are in a state of malnutrition all the time." That remark is probably nearly as applicable to India as to China. The need for improvement in standards of nutrition in tropical countries is also very great indeed.

The statement made about the African Native of Kenya that *he is too poor to buy what he needs, and we are poor because we cannot sell to him what he needs,* puts a very considerable part of the world economic problem in a nutshell. That problem, however, must be satifactorily solved, both for the welfare of the Native and ourselves. What is morally right is good economic policy. If the Union of South Africa made a generous and, at the same time, a sound economic experiment in the development of the potential market provided by the 5½ million Natives within its territory, that experiment would arouse the interest of all the humane people as well as that of the enlightened economic experts at Geneva. It is estimated by the Union Department of Health that about 80% of South African Natives are unfit owing to under-nourishment. Authorities agree that poverty is the cause.

THE PROPOSALS APPLIED IN BRITAIN.

Is it possible to go much further in Britain in the application of these proposals of the League Economic Committee? Obviously, in view of the vast expenditure on rearmament we may not expect much more to be done at present. Equally obviously, much more needs to be done and must be done if the assumptions underlying the proposals of the League's Economic Committee are sound and reliable. Britain now spends about 400 million pounds a year on social services, but the poor sections of the community have themselves paid in higher indirect taxation for the increase of expenditure on the social services. There are definite limits to any great increase in wages and salaries. Very high wages under the present economic system would soon mean an increase in mechanisation of industry and in a reduction in employment. It would require a very strong Government to raise the taxation levied on the rich in order to make any substantial difference in the distribution of income and purchasing power with a view to increasing consumption. A State that required to alter the distribution of income a great deal in order to satisfy the real social needs, would have to change the economic system instead of tinkering with it. The present system is planned—if it is planned at all—in order that private profit might be made, and that is quite incompatible with any real planning in order to provide, fully, the economic and social needs of the community. We cannot have a planned economy for the sole provision of

communal needs, and, at the same time, what amounts to anarchy in production and distribution of necessities. All necessities and essentials of life should be taken out of the profit-making system and made to function automatically in the sole interests of the community.

ANOTHER STANDPOINT.

From a rather different angle, Professor Harold J. Laski, in an essay on "The Economic Foundations of Peace,"*published in 1933, declared that "the answer to imperialism is social reform." He went on to suggest that the future of peace "depends upon the intense development of the home market as a means of preventing the competition for markets abroad and that this can be done in two ways: first, by a consistent increase in the standards of wages in order that the working classes might buy better food and clothing, more and better houses, and more of the amenities of life," secondly, by "the deliberate taxation of large incomes for such public necessities as education, maternity and child-welfare, park and open spaces, which require State intervention for their adequate provision."

While we may not altogether agree with Professor Laski's standpoint, and may possibly dislike some of his arguments in the essay in question, it is interesting that he should have put forward in 1933 much of what is suggested, from another point of view, by the Economic Committee of the League of Nations, in 1937.

If an interpolation may be permitted at this point, I would like to suggest that it would be an admirable thing if we planned to raise the school-leaving age to 18, in as short a period as possible, as part of the huge programme of social reform that is claimed to be necessary for the world's economic appeasement and to pave the way for world peace. I am assuming that maintenance is guaranteed to make this possible for all.

Professor Laski further suggests that "only in an equal world-community of which the economic life is deliberately planned as a whole is there any serious chance of a lasting peace," and he does not believe that even "a community of Socialist states is itself a guarantee of peace." He claims that "an international

* "The Intelligent Man's Way to Prevent War," p. 524.

society requires economic world-planning." At the same time, Professor Laski admits that men "do not give whole-hearted allegiance to reason, when their interest is associated with a denial of its claims."

BEGIN WITH THE DEMOCRACIES.

Is the world prepared to listen to reason in these matters? There is the rub. The world's colossal expenditure on armaments in 1937 to the astronomical extent of £2,400,000,000—a total that is beyond our power to estimate and grasp—is evidence to the contrary. There is also the evidence of the gigantic trade conflict and competition. In the realms of economics, trade and finance, as we have seen, there is a form of continuous warfare.

Is the "inescapable unity" of the world in an economic sense to be realised in actual fact in circumstances like the present? Obviously, it cannot be. The unity is there; it is ineluctable both as a fact and as a law. Yet it is a fact that is continually ignored, and a law that is always violated. How can we make a start in the right direction? We must, evidently, make a beginning where and when a beginning is possible.

A report of a recent speech by a well-known Liberal M.P., carried a suggestion that favoured the extension of the British Commonwealth to foreign countries like those of Scandinavia. That suggestion may not be taken seriously, but it indicates a trend of thought that is of some importance. In a lecture* delivered at the Geneva Institute of International Relations in 1935, Mr. Clarence K. Streit (Geneva Correspondent of the *New York Times*), said that one of the convictions to which his varied experience at Geneva had led him was that the disease that afflicts the world is at bottom a political disease of disunion among the old democracies. "It has been borne in on me (more often by minor than by major examples) that, whenever the United States, Great Britain, and France really pull together, the rest of the world follows. On the negative side, it has also been borne in on me (more by major than by minor things) that whenever merely one of these great democracies disagrees with the others, all the world . . . . is rent by the disagreement."

* Published in "Anarchy or Social Order" in the Problem of Peace Series.

"The League has since birth been stricken by the absence of America," continues Mr. Streit, "and the United States and all the world have been stricken by the absence of a practical means of doing world business . . . . . What wrecked the London Monetary and Economic Conference was not the presence of sixty odd nations there, nor the policies or tactics of Japanese, Germans, Italians, Russians: one hardly knew such Great Powers were present, so much was the stage occupied by the three-cornered battle royal among the Americans, British and French . . . . . What kept the League from acting to uphold the Covenant in the Far East (in 1932) was (the fact that) . . . . . when the British and French Governments were proposing to move, the United States held back, and when Washington was ready to act, London and Paris held back."

(In parenthesis, it may be remarked in modification of Mr. Streit's statement about the World Economic Conference, that when the world's statesmen, at that Conference, turned their thoughts to the question of planned national and international trade, many of them considered the matter far more as a means of restricting output and raising prices by the creation of artificial scarcity than as a means to be used for increasing the world's total wealth and prosperity. It was fortunate, perhaps, that most of those plans for the perpetuation of scarcity came to nothing.)

Mr. Streit, in his lecture, analyses the position of the 14 democracies of the world as against that of the "absolutist" or authoritarian states and gives six tables showing the enormous superiority of the free nations in man-power, wealth, land area, production, raw materials, trade, armed strength, buying power and markets. (Russia is placed in a special category in this examination.) The three "absolutist" states are Germany, Italy and Japan. The free democracies are: The United States, the United Kingdom, France, Holland, Belgium, Switzerland, Denmark, Norway, Sweden, Australia, Canada, New Zealand, South Africa, and the Irish Free State. Others, like Czecho-Slovakia might have been added, but for various reasons were not included.

It will surprise many to be told that the eight small European democracies, when united, pull more weight commercially in the world than Germany, Japan and Italy combined, particularly as

a market. It has been pointed out by another writer* that "the richest raw material regions of the world are in great part under the dominance of the Anglo-American Powers; and these two national groups, which account for over 60 per cent. of the world's industrial output and exercise financial or sovereign control over 75 per cent. of the mineral resources, hold the balance of power in so far as the essential commodities of peace and war are concerned."

In the present state of the world the task of establishing a world order of organic economic relationships falls upon the more "advanced" peoples who will need intelligence, patience, kindliness and restraint, in fullest measure.

Our present concern in relation to the problem of economic organisation is the banding together of the free, peace-loving nations of the world. The following remarks that end Mr. Streit's lecture can also be borrowed to end this pamphlet:

> "To cure the disease from which we suffer we must begin by making sure of just what that disease is—and the disease we have to cure is disunion among a few democracies. Our immediate problem in world organisation is a problem in the organisation of these few democracies. If we cannot organise them we cannot organise the rest of the world, and we cannot organise the peoples who believe in co-operation by making their organisation depend on securing the co-operation of those who do not believe in co-operation. If we have not yet organised the democracies, it is perhaps because we have never yet tried to restrict the problem to them, to begin with them. We can be sure that if we cannot solve this simpler problem we cannot solve the harder one. But if we do solve this problem, if we can organise these few democracies, then, so powerful would their union be that we can be sure of this, too: we shall have solved then for all practical purposes the problem of world organisation."

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* Brooks Emeny in "The Strategy of Raw Materials."

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